

# DEPARTMENT OF HOUSING

## PREDEVELOPMENT LOAN

### PROGRAM

### Supplemental Application Instructions

This supplement is intended to be used in conjunction with the Predevelopment Loan Application section of the ConApp, as further explained in the Predevelopment Webinar (see links to both on Predevelopment Loan webpage).

It is recommended that applicants review the entire application form (Exhibit E) before starting on the predevelopment application. All the Exhibits noted as “Form Provided” can be accessed either by the link in the form itself, or by the tabs at the bottom of the screen. All the other Exhibit Numbers refer to questions requiring a response directly on the Application form. For example, Exhibit 1.1 requests basic developer information, whereas Exhibit 3.1 provides a link to the “Form Provided” for Qualified Development Team. Most of the exhibit information is self explanatory. Below are key changes from the previous stand-alone predevelopment application.

**Exhibit 3.1 b.** Additional ConApp requirements related to the development team are detailed in this section. *For a Predevelopment Loan* - only a detailed Scope of Services and Cost Breakdown for the applicant’s primary service providers is required. Examples include the Architect, the Development Consultant, and the Dedicated Staff Person (an employee of the applicant with specific responsibilities for the predevelopment loan and the project which do not duplicate any existing contract).

**Exhibit 4.1 c.** *For predevelopment loans supporting State Portfolio projects only:* Applicants must provide the Work Scope Summary from the Comprehensive Capital Needs Assessment, as well as the Transaction Year and Transaction Type. Use the Narrative section of the application for this information. If the applicant’s proposed project varies significantly from the recommendations of the Capital Plan additional information must be provided to support the change.

**Exhibit 4.1 d.** The Conservation and Development Policies Plan can now be accessed in the “Application” section of the DOH website, under the link for “DOH Policy Guidelines”.

**Exhibits 4.4 and 4.5** Historic designation, and project location in a Flood Zone, are both areas that applicants need to address during the predevelopment stage. If not addressed either of these will delay the review of a development application, impact readiness to proceed, and may even affect project feasibility.

**Exhibit 6.3:** The ConApp Development Budget form that applicants use when applying for full development funding will now also be used as the DOH Predevelopment Loan Budget. This will provide for a clear itemization of predevelopment expenses which will also be consistent with the anticipated development application budget.

Only predevelopment loan budget items should be shown on this form. Please note:

For costs of an Option Agreement use the account: “Land Cost” (Row 62).

For Consultants and Dedicated Staff (as defined under 3.1 above) use the account: “Developer Allowance” (Row 60).

The Development Budget form should also be used to reflect any sources other than DOH that have or will be providing funds for predevelopment activities.

**Exhibit 6.5:** *For a predevelopment loan* - applicants are not expected to submit funding commitments, but must identify anticipated Sources of Funds and amounts as detailed on the form provided.

**Exhibit 8.2:** State Prevailing Wages are now required for most housing authority projects and may apply to other projects. Applicants should contact the Department of Labor if the project may trigger prevailing wages, since the project construction cost estimator will need this information as early as possible.

**Exhibit 11.2:** If the applicant’s proposed project requires any review and approvals from HUD it is advisable to move forward with HUD’s process during the predevelopment stage.